

PT Wijaya Karya Realty

Rated Issues

MTN IX WIKA Realty Tahun 2019 *ir*BBB

Rating Period

May 13, 2024 – May 2, 2025

Rating History

-

“Debt securities with *ir*BBB rating has an adequate level of certainty to honor its financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories.”

Kredit Rating Indonesia assigns ‘*ir*BBB’ rating to MTN IX WIKA Realty Tahun 2019 amounting to IDR545 Bn

Kredit Rating Indonesia (KRI) assigns ‘*ir*BBB’ rating to MTN IX WIKA Realty Tahun 2019 amounting to IDR545 Bn. The ratings reflect PT Wijaya Karya Realty (“WIKA Realty” or “the Company”) market position and well diversified portfolio. However, the ratings are constrained by its weak financial profile due to its high amount debt.

WIKA Realty, formed in 1985, previously was a business unit of PT Wijaya Karya (Persero) Tbk that focuses on property and realty development as well as property management. In 2000, WIKA Realty became a subsidiary of PT Wijaya Karya (Persero) Tbk and a State-Owned Enterprise (SOE) Hospitality Holding Company. The Company’s properties are scattered throughout Indonesia which located in Java Island as well as outside Java Island except Maluku Island and Papua Island. Hotel business segment contributes the most to the Company as the impact of becoming SOE Hotel Holding Company as well as the tourism industry’s recovery. However, the Company still aims to diversify its revenue by selling properties. WIKA Realty’s total revenue shows quite a promising trend with its revenue of IDR1,392 Bn as of December 31, 2023, and almost reached its revenue before the pandemic (FY19: IDR1,483 Bn).

On the other side, the Company incurs higher debt from IDR5,288.69 Bn in FY19 to IDR10,564.3 Bn in FY23 resulting low capability in interest repayment (EBITDA to interest ratio of -29.54x in FY21, -0.39x in FY22 and 0.1x in FY23A) and debt repayment (EBITDA to Total Adjusted Debt of -0.1x in FY21, -0.01x in FY22 and 0.01x in FY23). However, the Company projected better capability in interest and debt repayment with EBITDA to interest ratio of 0.44x in FY24F and EBITDA to Total Adjusted Debt of 0.1x in FY24F. Going forward, the Company committed to improve its operational efficiency as the Company has already extended MTN IX WIKA Realty Tahun 2019 in 2029.

The Company’s shareholder ownership composition as of December 31, 2023 was PT Wijaya Karya (Persero) Tbk (72.513%), PT Hotel Indonesia Natour (22.574%), Koperasi Konsumen Karya Mitra Satya (2.744%), PT Aero Wisata (2.095%) and Yayasan Wijaya Karya (0.074%).

WIKA Realty Financial Results Highlights (Consolidated)

For the year ended	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Adjusted Assets (IDR, Bn)	17,997.0	20,269.6	19,025.5	13,312.7
Total Adjusted Debt (IDR, Bn)	10,564.3	10,217.5	8,588.4	6,543.1
Total Adjusted Equity (IDR, Bn)	4,099.7	6,334.5	6,384.1	3,048.6
Total Sales (IDR, Bn)	1,391.6	1,060.5	457.9	533.1
EBIT (IDR, Bn)	193.0	22.8	-78.3	-155.0
Net Income (IDR, Bn)	-2,226.0	-49.9	27.1	399.7
EBIT Margin (%)	13.9	2.2	-17.1	-29.1
EBITDA/Adjusted Debt (x)	0.0	0.0	-0.1	0.0
Adjusted Debt/Adjusted Equity	2.6	1.6	1.4	2.2
FFO/Adjusted Debt (%)	-0.1	0.1	0.0	0.1
EBITDA/IFCCI (x)	0.1	-0.4	-29.5	-0.8
USD Exchange Rate (IDR/USD)	15,416	15,731	14,269	14,105

Analysts: Furqon Abrory Samara (furqon.samara@kreditratingindonesia.com)
Cut Nabila Saraziva (cut.nabila@kreditratingindonesia.com)

DISCLAIMER

PT Kredit Rating Indonesia (KRI) does not represent or warrant or guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. KRI does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. Although the information upon which KRI rating report are based, and any other contents provide in this rating report is obtained by KRI from sources which KRI believes to be reliable.

KRI will be held harmless against any responsibility arising from its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. The issuance of a solicited or unsolicited rating report does not supply financial, legal, tax or investment consultancy. The rating report is not an opinion as to the value of securities, therefore KRI is not responsible for any credit, loan or investment decision, damages or other losses resulting from the reliance upon or use of this report. In no event shall KRI be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this rating report or publication.

Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. Therefore, this report may not reflect any event or circumstances which occur after the date of this report.

KRI also assumes no obligation to update the content following publication in any form. KRI does not act as fiduciary or an investment advisor. KRI keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical process and products. As a result, certain units of KRI may have information that is not available to other units. KRI has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. KRI may receive compensation for its ratings and other analytical work, normally from issuers of securities. KRI reserves the right to disseminate its opinions and analyses. KRI's public ratings and analyses are made available on its website, <http://www.kreditratingindonesia.com> (free of charge) and through other subscription based services, and may be distributed through other means, including via KRI publications and third party redistributors. Information in KRI's website and its use fall under the restrictions and disclaimer stated above. No part of KRI's website, the content of this report, may be reproduced or transmitted by any means, electronic or non-electronic whether in full or in part, will be subjected to written approval from KRI.